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FISCAL IMPACT STATEMENT

LS 7357

BILL NUMBER: HB 1447

NOTE PREPARED: Jan 8, 2013

BILL AMENDED:

SUBJECT: Water liens.

FIRST AUTHOR: Rep. GiaQuinta

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that rates and charges of a water utility constitute a lien against property served by the water utility. It provides that the method for attachment and enforcement of water utility liens is the same as the existing method for wastewater utility liens.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill authorizes a water utility to attach a lien against a user's property for a delinquent bill (the current statute does not address what the utility should do but the utility usually disconnects the user for nonpayment). The water utility would follow the same procedure as a wastewater utility does under current law. This could eventually lead to a sale of the owner's property in order to collect the delinquent payment. As a result, the collection of delinquent payments would probably increase.

Additional Information:

Under current law, the fees imposed by a wastewater utility constitute a lien against the property assessed. The lien is superior to all other liens except tax liens. If fees assessed against real property are not paid within 30

days, they are delinquent, and water service is discontinued. A penalty of ten percent (10%) of the amount of the fees is added to the delinquent fees. Once the lien is recorded, a notice is mailed to the property owner stating that a lien against the owner's property has been recorded. A municipality or board may foreclose a lien in order to collect fees and penalties. The amount of the fees, the penalty, and a reasonable attorney's fee may be recovered by the board in a civil action in the name of the municipality.

State Agencies Affected:

Local Agencies Affected: Water Utilities.

Information Sources: Water Service Tariff Rates, Terms and Conditions for Water Service Within Marion County, Indiana; pg 16-17.

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